



PROCEEDINGS OF THE ROUNDTABLE
ON VOLUNTARY STANDARDS AND SCHEMES
FOR SPECIFIC QUALITY PRODUCTS

Protea Lodge, Chisamba
Lusaka, Zambia
12th to 14th of April 2010

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Proceedings prepared by:
ZATAC Limited

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1. Background of the roundtable

ZATAC was requested by FAO to identify participants from Africa and facilitate a 3 day roundtable meeting on voluntary standards and schemes for specific quality products. The aim of the roundtable was to consult with key stakeholders and build consensus on intervention strategies related to voluntary standards and schemes for specific quality products.

ZATAC worked with FAO lead persons to identify participants to the roundtable. Twenty five participants were invited from within Zambia and the rest of Africa. Sixteen participants attended the roundtable. The full list of participants is attached in annex 1.

1.1 Organization

The roundtable was highly interactive, alternating plenary sessions and group discussion sessions. It was moderated by Mr. Likando Mukumbuta, the ZATAC CEO. The roundtable began with a presentation on ZATAC, the organization that facilitated the roundtable meeting. ZATAC started in 1999 as a USAID project and was transformed into a fully autonomous non-profit limited company in 2004 following the close out of the ZATAC project. ZATAC provides an integrated package of technical assistance and financial services to its clients that include small and medium scale businesses, farmer cooperatives and associations. The ZATAC model focuses on providing enterprise development services targeted at key value chain actors.

After the ZATAC presentation, participants introduced themselves individually, the organization they were representing and how they were working with voluntary standards and schemes. The participants came from the following countries:

Table 1: Participants' countries of origin

Country	Number of participants
Zambia	9
Kenya	4
Malawi	1
Cameroon	1
South Africa	1
TOTAL	16

The FAO Country Representative, Dr Nouredin Mona, officially opened the roundtable with a speech read for him by FAO Assistant Country Representative (Programs), Mr. Christian Chomba. The speech is attached as annex 2.

1.1.1 Conceptual framework of the roundtable

Mrs. Florence Tartanac of FAO presented the conceptual framework of the roundtable. The potential impact and benefits on smallholder farmers appears to greatly vary from scheme to scheme, depending on countries, products, etc. These schemes can create market opportunities through differentiation, as well as positive economic or environmental impacts. However they also present some challenges, especially for smallholders.

FAO has pursued normative work, implemented several projects and launched an Inter-Departmental Working Group (IDWG) on voluntary standards and schemes for specific quality products to share information, coordinate within FAO and address needs of member countries. The objectives are to provide guidance to member countries and build capacity for the setting up and implementation of voluntary standards in adequacy with the national context, enhancing positive effects and minimizing exclusion. The presentation included:

- Definition of "specific quality" and "generic quality"
- List of market segmentation based on quality attributes
- Simplified typology of voluntary certification schemes
- Examples of different voluntary standards
- Opportunities for promoting sustainable development and gaining market access
- Challenges of member country needs
- FAO activities

The presentation on the conceptual framework is attached in annex 3.

1.1.2 Roundtable objectives and outputs

Ms. Emmanuelle Le Courtois of FAO presented the roundtable objectives and outputs.

The objective of the roundtable was to consult with key stakeholders in order to move into action and build consensus on pre-competitive intervention strategies related to voluntary standards and schemes for specific quality products.

The key expected outputs of the roundtable included:

1. Opportunities and extent of relevance of specific quality schemes in Africa

2. Lessons and practical field actions to support voluntary standards and schemes
3. How to support value chain actors? How to develop their business model and what type of assistance support organisations need?
4. Key issues to address for policy makers before developing such strategies
5. How to make the case for Africa and the degree of relevance of these products in the region?
6. How FAO can develop advisory support for stakeholders

Ms. Le Courtois presented the detailed program of the roundtable, which is attached in annex 4.

1.1.3 Selected participant presentations

Selected participants presented their experiences on voluntary standards and schemes for specific quality products as follows:

Table 2: Presentations

Market Segment	Presenter	Organization
1. Social welfare & fair trade	Simon Banda	Fairtrade
2. Sustainability and Good Agricultural Practices	Mushimbwe Chitalu Isaac Nkungulu George Macharia	OPPAZ ZEGA UTZ
3. Quality linked to origin	Kabore Issoufou Cerkia Bramley Samuel Muhunyu	OAPI University of Pretoria Slow Foods
4. Branding capturing multiple traits	Ruth Nyagah Evince Macheke Phiri	Africert OVAP

Individual presentations have been compiled and are accompanying this report under separate cover. The roundtable was structured to break participants into three groups of five. The groups discussed the first five outputs mentioned above under 1.1.2 and made presentations of their results. The sixth output was to be addressed at a plenary session following initial presentation by FAO.

2. Opportunities and extent of relevance of specific schemes in Africa

Participants were requested to identify markets in their respective countries that require these types of products and to identify conditions needed to access these markets (i.e. producer organization-legal framework and regulations-infrastructure).

Participants segmented the markets according to four basic categories (schemes) as specified by FAO:

- Social welfare, equity, & faire trade
- Sustainability & Good Agricultural Practices
- Quality linked to origin
- Branding capturing multiple traits

Participants identified the following key conditions to improve the schemes:

- ✓ Improvement of the production process
- ✓ Improvement of capacity of producer organizations/ inspectors/ support groups
- ✓ Enhancement of public sector support (legal framework)
- ✓ Harmonization of standards
- ✓ Information awareness
- ✓ Advocacy
- ✓ 3rd party guarantees for exports

The detailed presentations of the three groups are attached in annex 5.

Discussion Points

Participants noted that while premium price is important, increase in market share is equally important even at the same price.

Premium price requires a lot of awareness to hook customers to the product. Third party certification may not be necessary for the local market.

Standards are not guaranteed in the informal sector although efforts have been made to develop minimum standards.

3. Identification of lessons and practical field actions to support voluntary standards and schemes

Participants were requested to present an analysis of constraints and opportunities for producers to access markets based on their own experiences and to recommend necessary support interventions.

Participants identified the following key constraints for producers to access markets:

- High certification cost
- Multiplicity of standards
- Lack of information and information exchange
- Weak regulation, insufficient infrastructure and value addition
- Inadequate capacity to produce large volumes (scale)
- Weak industry associations

Participants made the following recommendations to address these constraints:

- ✓ Development of local internal control systems
- ✓ Harmonization of standards
- ✓ Localization of standards in a participatory manner
- ✓ Encouragement of small scale collaboration
- ✓ Diversification of transport/ shipping routes

The detailed presentations of the three groups are attached in annex 6.

Discussion Points

Participants reflected on how the participatory approach could be operationalized. It was noted that in Kenya, for example, lobbying and advocacy had resulted in the development of a specific scheme for smallholders by Global GAP.

The role of government in setting voluntary standards was debated and it was agreed that government should not be directly involved but should provide an enabling environment for the private sector to set and regulate voluntary standards.

4. Support to value chain actors

Participants were requested to review different business models and identify the type of assistance organizations needed, thinking about the various actors in the value chain i.e. producers, traders, transporters, processors, certification bodies,

etc. Who are the key actors? What kind of relationships exists between these actors? Horizontal/ vertical. What type of assistance do they require?

Participants identified the following as key value chain actors:

- ✓ Producers
- ✓ Traders
- ✓ Transporters
- ✓ Processors
- ✓ Consumers/ market

The following were identified as support actors:

- ✓ NGOs
- ✓ Service providers
- ✓ Certification bodies

Relationships between actors: it was noted that they are mostly vertical although the relationship between key value chain actors and support actors is horizontal. The type of assistance required by actors in the value chain is summarized in the table below based on the specific challenge being experienced:

Table 3: Type of assistance required by actors in the value chain

Challenge	National Service Actors	State	Certification Body
Quality	Training information	Policy to clarify R&D	Affordable and easily accessible service
Transparency/ structured contracts/ reliability	Training sensitization	Enabling environment, user friendly legal systems	
Pricing	Training sensitization/ price information	Enabling environment	
Consumer preference	Awareness/ promotion	Food safety regulations	Food safety standards/ awareness

The detailed presentations of the three groups is attached in annex 7.

Discussion Point:

Participants reflected on whether it is possible for African organizations to effectively coordinate certification efforts in the value chain.

5. Key issues to address for policy makers

Participants were requested to reflect on whether voluntary standards required some form of legal framework and regulations and to consider actions needed to increase market access, improve the business environment for national and export markets, and conditions needed to develop market strategies. Participants also reviewed global issues at regional level.

Key issues on the legal framework include:

- Need for enabling environment
- Minimum standards to ensure compliance for consumer confidence
- Regulate claims made and provide legal remedies for false claims
- Visibility of certification
- Provision of infrastructure

Key Issues to increase market access and improve business environment include:

- Beneficial tax system
- Create basic standards
- Improve infrastructure
- Centralized information flow

Key regional issues:

- Harmonization of standards
- Improved information flow and dissemination

Key global issues

- Harmonization of regulations and standards
- Development of common position on standards for Africa
- Preferential trade access based on product status

The detailed presentations of the two groups is attached in annex 8.

Discussion Points:

Participants recognized the fact that Africa is a large market and there is need to promote inter-Africa trade.

6. The case for Africa and the degree of relevance of specific quality products in the region

Participants reflected on whether these types of products are relevant for Africa at national and international level. They also looked at actions needed to be implemented by local stakeholders (public and private) for putting in place voluntary standards at national level in a participatory manner.

Participants agreed that these types of products are relevant for Africa at both national and international level as they can help develop industry and the country.

Participants identified the following actions to be implemented by local stakeholders for putting in place voluntary standards in a participatory manner:

Table 4: Actions to be implemented by local stakeholders

Public	Private
Ensure enabling environment	Development of national standards
Provide basic infrastructure	Product promotion
Accrediting certification bodies	Ensure local certification systems
Technical backstop	Ensure compliance of products to international markets
Insurance schemes	Capacity building on standards

The detailed presentations of the two groups are attached in annex 9.

Discussion Points:

Participants emphasized the need to promote minimum national standards and the need for legal mechanisms to enforce these standards.

7. FAO's role in the development of strategies for specific quality products and how the Organization can develop advisory support to governments and local institutions

FAO presented its major roles and interventions for supporting governments and local institutions:

- Encourage dialogue between the public and private sector;
- Support national institutions that work on consumer awareness and protection;
- Technical support to organizations working with small farmers;

- Propose mechanisms and incentives for value chain participants to be economically sustainable;
- Technical support for the development of institutional framework and regulations and/ or standards.

Participant made the following observation on the FAO presentation:

- Stakeholders need to get together and identify the type of support they might need from FAO;
- Some countries require technical assistance to develop voluntary standards, Malawi for example;
- Local certification bodies do not have enough clients to sustain their operations;
- Smart subsidies for certification, with strategies for sustainability, could be considered by national governments on a pilot basis.

8. Conclusion and recommendations

The participants agreed on the relevance of voluntary standards and schemes for specific quality products for Africa, as they participate in the development of the countries, food security and reduction of poverty, and with meeting the objectives of Millenium Development Goals.

It was agreed that these schemes are opportunities for farmers and other stakeholders to better access markets, even without premium prices because they confer to the products a competitive edge. They also play a role in marketing strategies to differentiate products. Compliance with standards could also lead to a learning process for the farmers, allowing them to adapt themselves better to the new markets and globalisation. Voluntary standards are also more market driven and are a good mean to segment markets and to respond to consumers needs, even for export and national markets.

However constrains were identified by participants such as insufficient group organisation, weak industry associations, lack of specific information, inconsistency of supply, lack of ownership of process, high costs of certification, lack of guarantee systems (fraud on local market), and unfavourable voluntary standards set in importing countries.

The participants discussed that the conditions required to be in place to access these markets are in general awareness and broad capacity building of all value chain stake-holders (producers, inspectors, support institutions -public and private-, traders, etc.), with an emphasis on information transfer and exchange. In Africa, the bulk of producers and players are in the informal sector, but the participants think that some kind of differentiation strategies could also be adapted for this

sector. Proposals from participants included in-country guarantee systems with local certification which should be nationally recognized, simple, localized, educational, affordable and sustainable.

The participants' recommendations for actions to be undertaken by local stakeholders for putting in place voluntary standards and schemes for specific quality products in Africa are:

- create an enabling environment, including development of minimum national voluntary standards;
- prioritize schemes for the development of local/traditional products associated with local certification;
- enhance dialogue between stake-holders of public and private sectors;
- facilitate access to information and training through existing institutions where appropriate at national level;
- promote the organization of farmers and commodity associations;
- set up dispute resolutions mechanisms at national level;
- at global and regional level, promote harmonisation of standards, monitoring of standards by an independent body;
- advocate and lobby for preferential access for certified goods on the basis of their benefits to the environments, social welfare, sustainability etc.

Annex 1: List of roundtable participants

	Name	Title	Organization	Address	Country	Telephone No.
1	Simon Banda	Liaison Officer - Zambia, Zimbabwe	Fair-trade Labeling Organizations International	276 Kudu Road, Kabulonga	Zambia	260955662555/ 260977662755 s.banda@fairtrade.net banda@zambia.co.zm
2	Carrivorous Simasinti	Senior Quality Control Manager	Dunavant	P O Box 30178	Zambia	carrivorous.simasinti@dunavant.co.zm
3	Sebastian Scott	Farmer	Organic Producers & Processors Association of Zambia	P O Box 35317	Zambia	0977313318 sebtree@hotmail.com
4	Chibembe Nyalugwe	Market Access Advisor	Market Access Trade Enabling Policies	Plot 3828 Olympia Park	Zambia	260-211-291569 Chibembe_nyalugwe@daicom
5	Chrisistem Wekesa Khisa	Trade and Promotion Executive	Tea Board of Kenya	P O Box 20064	Kenya	254-203872421/497, 3874445/6, Cell 254-722892747 cwekesa@teaboard.or.ke wekesa.khisa@gmail.com
6	Prisca Mulonda Shapole	Standards Officer	Zambia Bureau of Standards	P O Box 50259	Zambia	260-977780286 mshapole@zabs.org.zm mbimbi22@yahoo.com
7	Evance Macheke Phiri	Principal Rural Dev. Officer	One Village One Product	P O Box 30312, Lilongwe	Malawi	265-1-77617,772039 ovop@globemw.net evancemacheke@yahoo.com
8	Jonathan Banda	Business Manager	Chinjara/Livestock Co-op Society	49 Msoro Road	Zambia	260-97747478 fwnbanda@yahoo.co.uk fwnbanda@gmail.com
9	Likando Mukumbuta	Chief Executive Officer	ZATAC Limited	P/B 207, Lusaka	Zambia	260-211-263512/29/37 lmukumbuta@zatac.org.zm likandohot@hotmail.com
10	Guy Kahokola	Investment Advisor	ZATAC Limited	P/B 207, Lusaka	Zambia	260-211-263512 gkahokola@zatac.org.zm
11	Merylin Hamalambo	Office Manager	ZATAC Limited	P/B 207, Lusaka	Zambia	260-211-263512 mhamalamb@zatac.org.zm merylinhamlambo@yahoo.co.uk

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12	Samuel Karanja Muhunyu	International Counselor	Slow Food	P O Box 819	Kenya	254 51721048 Cell 254 722647112 muhunyusk@yahoo.com necofakenya@yahoo.com
13	Munshimbwe Chitalu	Chief Executive Officer	Organic Producers & Processors Association of Zambia	P O Box 35317	Zambia	260-211-2603070 mchitalu@organic.org.zm gmchitalu@gmail.com
14	Emmanuelle LeCourtois	Consultant , Rural Infrastructure and Agro-Industries Division	Food and Agriculture Organization, United Nations	Viale delle Terme di Caracalla 00100	Italy	(+39) 0657056988 Emmanuelle.LeCourtois@fao.org
15	Florence Tartanac	Agro-Industries Officer	Food and Agriculture Organization, United Nations	Viale delle Terme di Caracalla 00100	Italy	(+39) 0657053709 Cell (+39) 3462453529 Florence.Tartanac@fao.org
16	Cerkia Bromley		University of Pretoria	31 Bruce Street, Irene	South Africa	083 390 7197 Cerkia.bramely@up.ac.za
17	Ruth Nyagah	Managing Director	Africert Ltd Kenya		Kenya	25420828857/8 or 254722209908 info@fricert.co.ke rnyagah@africert.co.ke
18	Karugu Macharia	Representative Africa	Utz certified		Kenya	Karugu.macharia@utzcetified.org Karugu.machuria@solidarid.nl
19	Arundel Sakala	Senior Agricultural Research Officer	Zambia Agriculture Research Institute (Mt Makulu)	P/B7, Chilanga	Zambia	260-211-278130/141 Fax 260-211-278130/141 director@zari.gov.zm mwati1congo@yahoo.com
20	Kabore Issoufou	Plant and PVP Service Chief	African Intellectual Property Organisation (OAPI)		Cameroon	237 22205700/ 23722205778 kaboreissoufou@yahoo.fr kaboreissoufou@gmx.com
21	Isaac Nhungulu	Training Coordinator	Zambia Export Growers Association		Zambia	284461/ 0977872784 admin@nzt.ac.zm inkhungulu@zamtel.zm

Annex 2: Speech by FAO Country Representative, Dr Nouredin Mona

The Chairperson

Invited Guests

Facilitators

Participants

Ladies and Gentlemen

(All protocols observed)

It is a pleasure and honor to officiate at this event and wish to welcome all of you to this "Roundtable on Voluntary Standards and Schemes for Specific Quality Products"

It is a well known fact that the role of agriculture in supporting growing populations has been critical for generations and still holds a very crucial position on the global policy agenda. The Food and Agriculture Organization of the United Nations (FAO) strives to ensure major improvements in global food security as the core of its priorities, especially for the rural poor. Indeed, food security exists "when all people, at all times, have physical, social and economic access to sufficient, *safe and nutritious food that meets their dietary needs and food preferences* for an active and healthy life (FAO, 2001). Therefore, food quality and safety, to a large extent, contribute to achieving food security and are crucial objectives for FAO member countries.

The challenge of achieving food quality and safety in the context of globalization and sustained technological progresses is evolving in both industrialized and developing countries. This is because quality and safety greatly affects and impacts on agricultural production and consumer demand for food and agricultural produces. Beyond basic food quality and safety concerns, many consumers are seeking more diversity and originality; consumer preferences have shifted toward products with an emphasis on specific production processes linked to sustainable or ethical approaches, or to attributes related to origin, such as "Good Agricultural Practices" (GAP) standards, fair-trade certification or geographical indications. Specific quality products present characteristics that are inherent to the product itself and directly linked to its production process. This context has consequently led to the development of a growing number of voluntary standards and regulatory instruments associated with such products.

The potential impact and benefits of voluntary standards and schemes for specific quality products on smallholder farmers appears to vary greatly from scheme to scheme, depending on countries, products, etc. On one hand, compliance with these voluntary standards allows accessing segmented markets on the basis of differentiated product and/or process quality attributes. Such market segmentation could provide opportunities for smallholder farmers to occupy a strategic position on smaller but more lucrative markets, moving away from commodity markets for conventional products, thus creating opportunities for commercial farming and sustainable rural employment.

The development of such standards and schemes has strongly impacted domestic and international markets and the momentum to create opportunities for rural development and market access for small holders. However, the proliferation of schemes for such products has been met with various degrees of capabilities, especially in the African Region; it is therefore about time to go beyond the general view towards a realistic appraisal of such strategies in Africa.

FAO has been providing Member Countries with information and technical support with regard to different voluntary standards and certification schemes for quite some time. In 2001, the FAO Committee on Agriculture at its Twentieth Session recognized the importance of this work and had asked FAO to optimize the impacts of industry (voluntary) standards at both ends of the value chain, i.e. producers and consumers.

Following this recommendation, FAO had doubled its efforts in this subject pursuing normative work and implementing several projects within different departments and services. However, this has been undertaken in a rather segmented manner. In the realization of such shortcomings, FAO is now committed to foster a more global organization-wide and interdisciplinary approach to the topic.

It is in light of this that FAO is organizing this roundtable on the theme of voluntary standards and schemes for specific quality products and their potential market prospects in Africa. The aim of this roundtable is to consult with key stakeholders in order to move into action and build consensus on pre-competition intervention strategies related to voluntary standards and schemes for specific quality products. The focus will be to clarify the current situation including opportunities and areas for action in order to identify the configuration of services that need to be in place how to realistically create and capture value through the development of specific quality strategies. This event should lead to identification of areas for support for FAO.

I once again welcome you to this consultation and to Zambia for those coming from other countries. I thank you very much for your attendance and anticipated active participation and good results.

I therefore happily declare this Roundtable on Voluntary Standards and Schemes for Specific Quality Products officially open and may God bless you all.

Annex 3: Conceptual framework of the roundtable

Ms. Florence TARTANAC
Senior Officer, Rural Infrastructure and Agro-Industries Division
Food and Agriculture Organization of the United Nations

Background

- The potential impact and benefits on smallholder farmers appears to greatly vary from scheme to scheme, depending on countries, products, etc.
- These schemes can create market opportunities through differentiation, as well as positive economic or environmental impacts
- However they also present some challenges, especially for small holders.

FAO has pursued normative work, implemented several projects and launched an Inter-Departmental Working Group on voluntary standards and schemes for specific quality products to share information, coordinate within FAO and address needs of member countries.

The objectives are to provide guidance to member countries and build capacity for the setting up and implementation of voluntary standards in adequacy with the national context, enhancing positive effects and minimizing exclusion.

Definitions

Specific Quality Vs Generic Quality

“Generic quality” corresponds to the minimum standard that a product must meet in terms of quality and safety if it is to be placed on the market.”

“Specific quality” corresponds to a differentiated quality based on particular specifications of the product – taking into account that basic requirements for food safety are met - and is distinguished from generic quality by a voluntary trading-up strategy and value creation.

Differentiated products and markets

Market segmentation based on quality attributes is more and more common in the globalized food market and can be an interesting strategy to achieve collective comparative advantage via market niches for small farmers in developing countries.

Conventional Products	Differentiated Products
Commodity price pressures	Consistently higher prices
Reward for quality and price	Reward for quality and process
Easy market access	Limited market access
Intense competition	Moderate competition
Government support (Subsidies, R&D, etc.)	Limited government support
Broad market size	Limited market size
Short learning and cost curve	Longer curve: certification, etc.

Voluntary Certification Schemes

Simplified typology of voluntary certification schemes

Type	No Label Internal system (B2B)	Label, quality sign (Business-to-Consumer)
Field	GAP Food safety	Cultural, environmental and social standards
Examples	GAP ISO22000 traceability	Organic Agriculture, fair-trade, Geographical Indications, Rainforest Alliance, Bird friendly, Dolphins friendly... bio-energy.
Usually set by	Corporate buyers (retailers, processors)	Producer groups, public sector, NGOs
Freedom of choice for producers	Limited	High
Benefits for producers	Helps maintain market access	May add value, raise sales, help access new market (niche markets)
Costs borne by	Producers (sometimes exporters)	Consumers (sometimes producers as well)

Examples

- Preservation of the environment:
 - Organic agriculture
 - a) Public standards: National, Regional standards and Intergovernmental guidelines (Codex Alimentarius)
 - b) Private Standards: Developed by a national industry group (Soil Association in the UK); by an international coalition of NGOs (IFOAM); Regional standard.
 - Rainforest Alliance
 - Sustainable forestry schemes
 - Eco-labelling fisheries schemes
- Specific quality linked to geographical origin and traditions:
 - Geographical Indications
 - Other specific quality products related to the origin and traditions
- Social welfare and equity:

- Fair-trade: Fairtrade Labelling Organization (FLO), FINE organizations

- ❑ Good Agricultural Practices and related programmes:
 - National GAP programmes
 - Integrated Pest Management (IPM) programmes
- ❑ Labels for nutrition or health:
 - American Heart Association (AHA) label
 - the Japanese government set up “Foods for Specified Health Use” (FOSHU)
 - claims related to the presence or absence of genetically modified organisms (GMO)

Potential contribution to promoting sustainable development and gaining market access

- ❑ Sustainable rural development opportunities:
 - to improve local food security by increasing or diversifying source of family income while raising the levels of food quality and safety for local communities.
 - for social survival and strengthening of social organization mechanisms and empowerment rural communities.
 - the improvement of living conditions in rural areas, in terms of hygiene or water quality for example.

BUT these potential benefits for rural development are not automatic outcomes of interventions

- ❑ Market access opportunities:
 - for smallholders who cannot supply products competitively on the markets for conventional agricultural products.
 - facilitation of the organization of local agricultural and food chains bringing added value to particular food products

BUT small farmers may need external assistance if they are to produce or export such products successfully.

Challenges and Member Countries' Needs

- ❑ Need for an institutional framework and regulation mechanisms
The public sector has to make sure there are regulations and systems in place to protect consumers and producers.

- ❑ Public and private interventions

Balanced governance between public and private interventions to make sure standards and schemes are not developed in a unilateral way by industry players and that the governance among stakeholders is fair.

Governance within schemes and the guarantee systems.

☐ Consumer awareness and protection

Confusion among consumers who may have difficulties understanding the scope of the labels and schemes;

And among producers, who may have trouble finding which scheme or guarantee system is best suited to their situation

FAO activities

1) National Strategies on Voluntary standards and schemes for specific quality products

Lead units in FAO: Nutrition & Consumer Protection Division and Rural Infrastructure & Agro-industries Division

- *Support to member countries in their development of appropriate specific quality schemes and related regulatory frameworks with positive effects on local economy and contributing to diversity (environment, food, biodiversity) and preservation.*

2) National Strategies and capacity building on quality linked to geographical origin and geographical indications

Lead units in FAO: Nutrition & Consumer Protection Division and Rural Infrastructure & Agro-industries Division

- *Support the development of these quality schemes that contribute to sustainable rural development by: enhancing positive economic impact, contributing to environmental and biodiversity preservation, strengthening social networks and value and protecting consumers.*

3) Capacity building on good agricultural practices (GAP) for food quality and safety

Lead units in FAO: Rural Infrastructure and Agro-industries Division and Plant Production and Protection Division

Various projects:

- *Improving safety and quality of fresh vegetables through the value chain approach in Vietnam*
- *Capacity building on GAP for food quality and safety in East Africa*
- *Improving production and distribution of safe and high quality vegetables in West Africa*
- *Development of training material on GAP for food safety and quality on farm for use in Farmer Field Schools (FFS) programmes*

4) Capacity building on organic agriculture (OA) as a market development strategy for small-scale growers

Lead units in FAO: Rural Infrastructure and Agro-industries Division; Natural Resources Division

Various activities:

- *Interdepartmental Working group on Organic Agriculture: e.g. Harmonization of standards with UNCTAD and IFOAM*

- *Codex Alimentarius Commission guidelines on Organically Produced Foods*
- *Integration of producers into new national and international value chains*
- *Support for development of institutional framework*

5) Standards in fisheries and aquaculture

Lead units in FAO: Fisheries and Aquaculture Policy and Economics Division

Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries and for Inland Capture Fisheries

- *Guidelines for Aquaculture certification*
- *Safety and quality standards for improving the harvest value and extracting more wealth from the resources*

6) Forest Products and Industries

Lead units in FAO: Forest Products and Industries Team

Review of technical and environmental standards relevant to the international trade in tropical wood products.

Annex 4: Daily program of the roundtable

DAY 1

- 14.00 - 14.30
Official Opening by FAO Country Representative, Mr. Nouredin Mona and ZATAC director
- 14.30 - 15.30
 - Introduction to roundtable, context and objectives by FAO Agro-industry Officer, Mrs Florence Tartanac
 - Brief participant introductions
- 15.30 – 16.00 *Coffee break*
- 16.00 – 17.30
Experiences from selected participants on voluntary standards and schemes for specific quality products:
 - *Social welfare & equity, fair-trade*
 - *Sustainability and Good Agricultural Practices*
 - *Quality linked to origin*
 - *Branding, capturing multiple traits*

DAY 2

- 8.00 – 10.00
1st working group discussion:
“Opportunities and extent of relevance of specific quality schemes in Africa”
- 10.00 – 10.30 *Coffee break*
- 10.30 – 11.30
Working group reports from 1st discussion
- 11.30 - 13.00
2nd working group discussion:
“Identification of lessons and practical field actions to support voluntary standards and schemes”
- 13.00 – 14.00 *LUNCH*
- 14.00 -15.00
Working group reports from 2nd discussion
- 15.00 – 15.30
3rd working group discussion:
“How to support value chain actors?”
“How to develop their business model and what type of assistance do support organizations need?”
- 15.30 – 16.00 *Coffee break*

- 16.00 - 17.00
3rd working group discussion *continued*
- 17.00 - 17.30
Conclusions of the day

DAY 3

- 8.00 – 9.00
Working group reports from 3rd discussion
- 9.00 – 10.30
4th working group discussion:
“What are the key issues to address for policy makers before developing such strategies?”
- 10.30 – 11.30 *Coffee break*
- 11.30 - 12.30
Working group reports from 4th discussion
- 12.30 – 13.30 *LUNCH*
- 13.30 – 14.30
5th Working group discussion
“How to make the case for Africa and the degree of relevance of these products in the region?”
- 14.30 – 15.30
Working group reports from 5th discussion
- 15.30 – 16.00 *Coffee break*
- 16.00 - 17.45
Plenary discussion
“FAO’s role in the development of strategies for specific quality products and how it can develop advisory support to governments and local institution”
- 17.30 – 17.45 *Conclusions and closing remarks*
-
- 18.30 – 20.30 *Reception and networking*

Annex 5: Opportunities and extent of relevance of specific schemes in Africa- group presentations

Participants were requested to identify markets in their respective countries that require these types of products and to identify conditions needed to access these markets (i.e., producer organization – legal framework and regulations – infrastructure).

Market Segments		
Group 1	Group 2	Group 3
<p>1) Organic Export potential big</p> <p>2) Traceability schemes No premium necessarily attached e.g. Presida of slow food; geographical indications food safety schemes</p> <p>3) Environmental schemes Forest products e.g. FSC Waste management Sustainability e.g. rainforest alliance, badge friendly, honey quality mark</p> <p>4) Ethical/ religious/ Social Halaal (Kenya/ SA/ Malaw) Fair trade</p>	<p>1) INFORMAL SECTOR - In country or regional guarantee system Local certification These should be: -Nationally recognized - Locally recognized - Simple, localized, educational - Cheap/affordable/ sustainable.</p> <p>2) FORMAL SECTOR - In country or regional guarantee system - Nationally and regionally recognized. - Second party guarantee systems - Labeling / branding - Sustainable</p> <p>3) EXPORT Regional International -International Guarantee system. -3rd Party certification -Internal control systems -Internal audit system. -Regional / National Benchmarks. (Pre-Certification).</p>	<p>1)HEALTH Honey Amaranths/Bondwe</p> <p>2) TASTE Game meat Village chicken Mushroom wild</p> <p>3) REGION Lusaka Beans (Geographic) Mongu/Chama Rice</p> <p>4) TRADITIONAL Munkoyo Chikanda</p> <p>5) Other</p>

Conditions Needed to Access the Markets		
Group 1	Group 2	Group 3
<ul style="list-style-type: none"> - Must not necessarily translate to premium price - Produce organization - Produce / consumer / sensitization - Avoid consumer confusion (proliferation of labels) (Platform for harmonization) - Government support <ul style="list-style-type: none"> -ensure enforcement of basic standards -creating enabling environment -Legal framework -infrastructure -capacity building - Current mostly production that is certified - Need to elaborate standards to cover whole value chain - Level playing field - Smart subsidies 		<p>Production/processing How marketed</p> <p>Quality scheme: Process by which the differentiation can be valued by market. Will this result in premium?</p> <p>Verify site: i.e., Rice How it is produced: Purity of seed grown, harvested, polished, graded, Packaging.</p> <p>Where and in what conditions processed stored, packed etc.</p> <p>How transported Chemical / organic Ethnic / social Label. E.g. his wild! Marketing / MA – supermarkets, hospitality industry Also in bulk and community markets – without price premium.</p> <p>Agronomical support. (Assume available) additional certified seed. Reliable suppliers.</p>

Annex 6: Identification of lessons and practical field actions to support voluntary standards and schemes- group presentations

Participants were requested to present an analysis of constraints and opportunities for producers to access markets based on their own experiences and recommend necessary support interventions

Constraints and Opportunities		
Group 1	Group 2	Group 3
<p>Local market</p> <ul style="list-style-type: none"> - Transportation - Bloating supply - Chain - Input availability and accessibility - Weak industry associations - Uneven playing field e.g <ul style="list-style-type: none"> i) Formal vs. informal ii) Cartel iii) Counterfeit goods - Scale - Cost of meeting grades and standards <p>Export market</p> <ul style="list-style-type: none"> - Import regulations statutory market grades and standards - Bureaucracy and red tap - Shipping - multiplicity – increase costs - release capacity to adhere - information on markets - Private Labels - subsidy - small scale collaboration 	<ul style="list-style-type: none"> • Insufficient group organizations • Access to finance • Lack of information • Inconsistence of supply • Luck of ownership of process (continuity) • Luck of industry champion (Rooibos) • Insufficient infrastructure and value addition • Weak handling capacity • Weak enabling environment 	<p>Cost of certification</p> <p>Lack of Market information</p> <p>Lack of bargaining power for small groups</p> <p>Lack of infrastructure</p> <p>Production and processing cost high</p> <p>Fraud (local market)</p> <p>Standards set by uninformed persons</p> <p>Cost high:</p> <ul style="list-style-type: none"> Developing systems to meet standards External inspectors Time Multiple schemes Access to training and knowledge Potential for corruption. <p>EXAMPLE: FAIR TRADE</p> <ul style="list-style-type: none"> - Certification doesn't guarantee market - Needs payment before inspection and access to market. (Cost) - Needs organization and group skill. - Needs to be democratic, transparent – not always easy when group breakdown, e.g. one member fails, then the whole group fails. - Often need external support. - WTO restrictions / market changes - Lack of legal framework to back up certification. (Can damage reputation). - Only international. (Except SA).

Recommendations		
Group 1	Group 2	Group 3
<p>1. Transport / Shipping improving road networks reduce freight costs Diversify freight awareness combined cargo transportation</p>	<ul style="list-style-type: none"> • Support development of organized groups • Improve access to finance in a sustainable manner • Improve information transfer and exchange • Enhanced participation of all actors at all levels • Improve investment for processing and value addition infrastructure • Policy intervention to improved enabling environment. 	<ul style="list-style-type: none"> - Government can help enforce regulation. Market standards many more. - Inter-governmental, regional groups, with co-ordinate regulations. - Developing internal control systems <u>can</u> help with self regulation and capacity building. - Building certification groups should provide market information - Train local certifying staff and develop local certification bodies to reduce cost and have better understanding of local. - Harmonized standards - Localized standards set by informed persons. In a participatory manner.
<p>2. Reg, Grades and Standards Capacity building (associations, producer organization, laboratories etc) Awareness programs Multiplicity-lobby for common recognition</p>		
<p>3. Bloated supply chain Link producers as close as possible to end user Enhance value addition as much as possible at producer level e.g innovative financing input availability and accessibility</p>		
<p>4. Weak Industry Associations Building capacity make information available Lobby for playing field.</p>		
<p>5. Scale encourages smaller scale collaboration Infrastructure (mechanized product shortage processing) Government incentives for collective smallholder producers</p>		

Annex 7: Support to value chain actors – group presentations

Participants were requested to review different business models and identify the type of assistance organizations need thinking about actors of the value chain i.e., producers, traders, transporters, processors, certification bodies etc. Who are the key actors? What kind of relationships exists between actors? Horizontal/ vertical
What type of assistance do they require?

Two presentations were made. The presentation below is only from one of the groups as the other presentation was in diagram form and too complex to reproduce.

(a) **ACTIVE PLAYERS IN THE VALUE CHAIN**

1. Producers Buyers
2. Traders Input suppliers
3. Transporters
4. Processors
5. Consumer / market

(b) **Support actors**

- * NGO, s
- * Service providers
- * Certification bodies

(c) **The Positive Relationship between actors**

- * Dependency
- * Supportive
- * Mutual benefit
- * Trust
- * Interrelationships on the economy

(d) **Challenges/Issues**

Level 1

(1) Producers Vs Traders (Input Suppliers)

- Inadequate Input
- overpricing
- Quality issues
- Dishonesty
- Misinformation
- Reliability

Level 2

(ii) Producers Vs Traders (Buyers)

- Delayed payments
- Overpricing
- Untimely supply of inputs
- Poorly structured contracts
- Poor packaging

Level (3)

(iii) PRODUCER / BUYERS Vs TRANSPORTERS

- Overpricing
- reliability
- Poor structured contracts
- delayed payments

Level (4)

(iv) Transporters Vs Processors

- Overpricing
- delayed payments
- poor structured contracts

Level V

(v) Processor Vs Consumer

- Misinformation on products
- Consumers biases, tastes and preferences

RESPONSE

Challenge	NSA	SATE	CERTIFICATION BODY
Quality	Training information	Policy to clarify R&D	Affordable and easily accessible service. Information dissemination
Transparency / structured contracts reliability	Training sensitization	Enabling environment -user friendly legal systems	
Pricing	Training and sensitization price information.	Enabling environment	

Annex 8: Key issues to address for policy makers – group presentations

Participants were requested to reflect on whether voluntary standards required some form of Legal framework and regulations and to also consider actions needed to increase market access, improve business environment for national and export markets, and conditions needed to develop market strategies. Participants also reviewed global issues at regional level.

Legal Framework	
Group 1	Group 2
1. (a) (i) create an enabling environment (ii) Effective participation in governance and policy issues and stands development (iii) Insurance schemes for product regulations and legal framework.	<ul style="list-style-type: none"> • Minimum standard needed to ensure compliance and for consumer confidence. • Regulate the claims made and provide legal remedies if false claims are made • Issue of who bears the cost of instituting action.

Actions to increase Market Access & Improve Business Environment	
Group 1	Group 2
Increase Market access <ul style="list-style-type: none"> • Obtaining the exiting national regulations for possible markets • Trade mission • Product advertisement through information exchange • Visibility of the banc certification process e.g. use of internet, media • Encourage countries to be part of the international standardization borders • Strengthen local standards to international benchmarks. • Provision of relevant infrastructure for the actualization of standards <ul style="list-style-type: none"> -laboratories -Accreditation Business Environment <p>(a) National Market</p> <ul style="list-style-type: none"> • Creation of the basic standards • Improvement of infrastructure • Information flow and exchange • Effective participation in governance and policy and issues <p>(B) Export Market</p> <ul style="list-style-type: none"> • Regional harmonized standards • Improvement of infrastructure • Information flow and exchange • Risk mitigation measures • Harmonized brandings, labeling and marketing products. 3. Global Issues <ul style="list-style-type: none"> - Harmonization of “Most” or “All” voluntary standards in each domain. - Provision of common voice (Commodity association) for African Resources challenged farmers and growers and 155 B - Creation of common positions at end participation at 155 B 	BUSINESS ENVIROMENT <ul style="list-style-type: none"> • Benefit tax systems -input -Fuel -Smart subsidies (for Certification) <ul style="list-style-type: none"> • To reduce cost of doing business • Centralized information centre with easily accessible and subject specific information e.g. Fair trade Global issues <ul style="list-style-type: none"> • Harmonization of regulations and standards • Preferential trade access based on product status

Annex 9: The Case for Africa and the degree of relevance of these products in the region – group presentations

Participants reflected on whether these types of products are relevant for Africa at national and international level. They also looked at actions needed to be implemented by local stakeholders (public and private) for putting in place voluntary standards at national level in a participatory manner.

Both groups agreed that these types of products are relevant for Africa. The table below shows the group presentations on actions needed to be implemented by local stakeholders (public and private) for putting in place voluntary standards at national level in a participatory manner.

Actions needed to be implemented for Voluntary Standards	
Group 1	Group 2
<ul style="list-style-type: none"> • Forum for Governance and policy development • Interactive/participatory standards development • Participation at 155B • Information flow and exchange • Access to finance (fording) • MDG's • Improved confidence in markets • Improved food safety + traceability. <p>Public sector interventions</p> <ul style="list-style-type: none"> - Ensure enabling environment - Ensure enabling environment - Strength/establish insurance schemes - Provision of infrastructure - Actualization of local trained certification <p>Organization accredited to the bureau I of standards</p> <ul style="list-style-type: none"> - Accrediting certification bodies - technical assistance with emphasis to labs extension and inspections <p>Private interventions</p> <ul style="list-style-type: none"> - Promotion of products - Trade Missions - Education/information on basic standards that are benchmarked - Take up challenge of local certification - compliance of products to standards - creation and making visible: <p style="margin-left: 20px;">Voluntary standards Schemes Products</p>	<ul style="list-style-type: none"> • Dialogue between stakeholders • Development of min. standards should be private sector driven. • National standards developed by stakeholders • Individual stakeholders can develop specific standards • Monitoring of standards to be done by independent body • Information centers to be in existing institutions • Capacity building in existing institutions: <ul style="list-style-type: none"> -information acquisitions -information transfer -training



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Lusaka, Zambia
12th to 14th of April 2010



ZATAC
Private Bag 207, Woodlands
Plot No. 35258 Kasalu Road
Kabulonga
Lusaka - Zambia
Tel: (260) 1-263512/29/37
Fax: (260) 1-263502
www.zatac.org



Rural Infrastructure and
Agro-Industries Division (AGS)
Food and Agriculture Organization
of the United Nations
Viale delle Terme di Caracalla, 00153
Rome - Italy
e-mail: AG-Registry@fao.org
www.fao.org/ag/ags